

Second Opinion: Coverage lost – COBRA cancellation notice delayed

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If you have questions about the practices of your managed-care coverage, ask the experts at the state Department of Managed Health Care.

Q: Last summer I had my health care coverage through a Cal-COBRA policy. Toward the end of June, I sent the health plan a check for my premiums, and that check was cashed. Although I was applying for an individual-coverage plan at the same time, I wanted to make sure that my Cal-COBRA coverage was active, so I called to verify it and was told that I would have coverage through the end of August if I kept sending in my premiums.

With that in mind, I went in for a physical therapy appointment on July 6 believing I had coverage. Unbeknownst to me, my former employer canceled the group coverage July 12 and made the cancellation retroactive to July 1. Based on the cancellation, I no longer had coverage for the physical therapy session from the previous week. There was no way I could have known that my former employer was going to cancel coverage.

In addition, I didn't receive a notice of cancellation or a refund for my July premiums until several weeks after I had actually lost my coverage, and I think it is only right and fair that the health plan should be responsible for any services I received before being notified of my cancellation.

Of course, I sent a complaint asking for just that, but it was denied.

– *Helen Bucher, Citrus Heights*

A: Federal COBRA is a program for people who receive health insurance from an employer with 20 or more employees, and Cal-COBRA plans are designed for small groups that cover two to 19. Both types of COBRA allow people to keep their health care coverage when they lose a job or experience one of the other "qualifying events," which could include a divorce, the death of the employee who had been covered or a reduction in the employee's hours that resulted in a loss of benefits.

That coverage can also end abruptly if an enrollee fails to pay premiums on time or if the employer decides to stop offering health insurance.

In this case, the DMHC discovered through its investigation that your former employer's coverage was canceled by the health plan because the employer couldn't establish eligibility as a small group. This cancellation was processed June 30 and became effective July 1, but the plan admitted to the DMHC that you were not sent a notification of this cancellation until July 12, so the plan eventually agreed to cover the services you received July 6.

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Consumers with questions about obtaining the right care at the right time are encouraged to contact the DMHC by calling (888) 466-2219 or by logging on to www.healthhelp.ca.gov.